

**Growth in the Retina Practice:
Adding a new doc, new office or
expanding office**

David Chin Yee
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Financial Disclosures

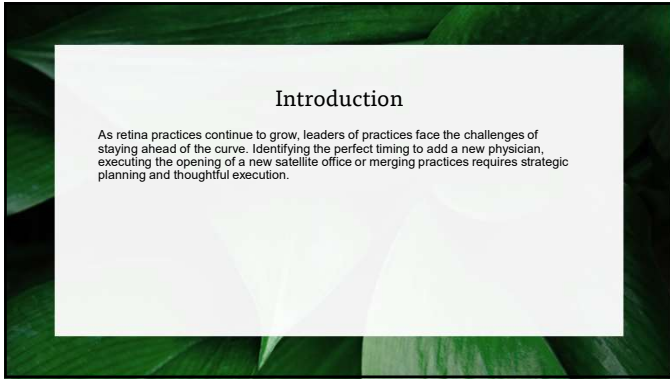
Regeneron Speaker and consultant	Astellas Speaker and consultant
Genentech Speaker and consultant	Alcon Consultant
Apellis Speaker and consultant	Eyepoint Pharmaceuticals Consultant

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Agenda

- Introduction
- Why growth or expansion
- Adding a Doctor
- Adding or expanding an Office
- How to expand – Practice Resources
- Final tips & takeaways

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Introduction

As retina practices continue to grow, leaders of practices face the challenges of staying ahead of the curve. Identifying the perfect timing to add a new physician, executing the opening of a new satellite office or merging practices requires strategic planning and thoughtful execution.

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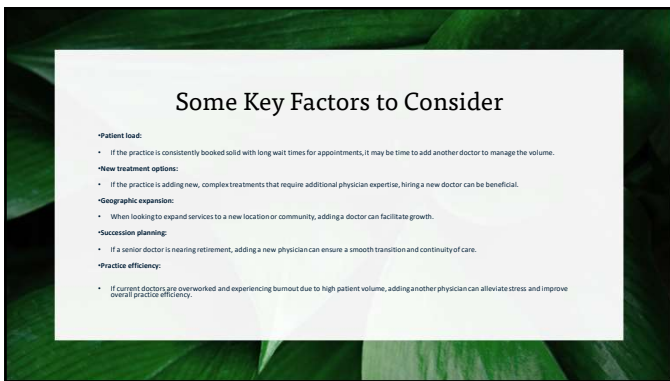
Why growth or Expansion

In the Weeds in clinic, it can be hard to identify when growth might be needed.

If noticing on a day to day you are experiencing added stress and burden with rapid growth and facing limitations in scheduling for patients or talking with referring doctors or overwhelmed with complex or emergent patients. These could be factors to indicate growth or expansion is needed. But we need metrics to verify if it's the right timing.

Objective might be to make referring docs happy, but ultimately can you maintain quality of care and meet patient needs!

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Some Key Factors to Consider

- *Patient load:**
 - If the practice is consistently booked solid with long wait times for appointments, it may be time to add another doctor to manage the volume.
- *New treatment options:**
 - If the practice is adding new, complex treatments that require additional physician expertise, hiring a new doctor can be beneficial.
- *Geographic expansion:**
 - When looking to expand services to a new location or community, adding a doctor can facilitate growth.
- *Succession planning:**
 - If a senior doctor is nearing retirement, adding a new physician can ensure a smooth transition and continuity of care.
- *Practice efficiency:**
 - If current doctors are overworked and experiencing burnout due to high patient volume, adding another physician can alleviate stress and improve overall practice efficiency.

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Important Considerations Before Adding a Doctor

- **Financial analysis:**
 - Evaluate the potential costs associated with adding a new doctor, including salary, benefits, and practice infrastructure adjustments. (including malpractice ins/tail coverage)
- **Market research:**
 - Assess the local patient demand for retina services to ensure there is sufficient patient volume to support a new doctor.
- **Recruitment strategy:**
 - Develop a plan to attract qualified retina specialists with the necessary expertise and experience.

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Financial Analysis

Pro Forma: A financial statement that outlines projected or forecasted income, expenses, and profitability for the practice over a certain period of time (usually a year).

It is used to assess the potential financial performance and viability of the business. Important to be able to assess if feasible to add a new doctor

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Financial Analysis

<p>Revenue Forecast</p> <ul style="list-style-type: none"> • Patient Visits Estimate the number of patients expected to visit based on historical data or market research. • Billing Codes For retina services, include the specific procedure codes (ICD, CPT) relevant to retina care (e.g., retinal exams, intravitreal injections, laser treatments). • Insurance Payments Account for reimbursements from various insurance providers (private, Medicaid, Medicare), including any changes in reimbursement rates. • Out-of-pocket Payments Estimate the portion patients will pay out of pocket (copays, deductibles). • Auxiliary Services If the practice provides services like OCT scans, fluorescein angiography, or laser treatments, include the revenue from these procedures. 	<p>Expense Forecast</p> <ul style="list-style-type: none"> • Staffing Costs Salaries and benefits for doctors (retina specialists), technicians, office staff, nurses, and administrative personnel. • Medical Equipment & Supplies The cost of specialized retina equipment (e.g., OCT machines, laser equipment, injectables for retinal diseases). • Facility Expenses Rent or mortgage, utilities, and maintenance. • Insurance Malpractice insurance for the practice and employees. • Marketing & Advertising Costs for promoting the practice through various channels. • Administrative & Miscellaneous Software for electronic health records (EHR), office supplies, continuing education, etc.
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Pro Forma

Balance Sheet
Includes assets, liabilities, and equity to show the financial position of the practice at a given point in time.

Key Performance Indicators (KPIs)

- Patient Volume Growth** Projected increase or decrease in the number of patients treated.
- Revenue per Visit** Average revenue generated per patient visit or procedure.
- Expense per Visit** Average expenses incurred per patient visit.
- Gross Margin** The difference between revenue and the cost of goods/services provided.
- Operating Margin** Earnings before interest and taxes (EBIT), showing the practice's operational efficiency.

Components Specific to Retina Practice:

- Intravitreal Injections** Revenue per injection, cost of medication (e.g., Lucentis, Eylea, Avastin).
- Surgical Procedures** Costs and reimbursement for retinal surgeries like vitrectomy.
- Retinal Imaging** Potential revenue from advanced imaging services such as OCT (Optical Coherence Tomography) and angiography.

This pro forma would be used to plan for the financial future of the retina practice, secure funding, or help with internal decision-making.

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Adding a Doctor

After assessing metrics from doing financial and market research

of pts physician seeing – capacity of doctor (saturation rate)

Vary significantly based on geographic location, demand for services, and the overall healthcare market.

What is your ideal Clinic workflow and does it align with your personal and professional goals. Consider 10 per half day when making analysis.

Remember lag of 60-90 days for new physician billing and collections – practice will have to carry those expenses

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Discussion Highlights when adding a Doctor

<ul style="list-style-type: none"> Compensation and how and when salary is paid Benefits Hours and days of the week Surgery or procedure times Work location Their ability to dictate schedules, exam room space, physician office space 	<ul style="list-style-type: none"> Membership coverage for national, state, local organizations Cellphone plans Transportation Entertainment perks Marketing requirements
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How to add Partner/Friend- Recruitment strategy (Tips)

Important to self evaluate and know your culture to express for interviews

Have candidates meet with all doctors, or provide opportunity to interact with all doctors. Introduce or have candidate interact with staff/administrator.

Keep in mind adding doc also means adding staff. Techs (8-10 weeks before doc starts), RCM, and marketing to help growth

Important to draft a partnership agreement outlining the terms, including profit-sharing, decision-making processes, and exit strategies - Biggest mistake to avoid

Consulting with a legal advisor to navigate the regulations and ensure compliance with healthcare laws is also advisable.

Credentialing - <https://www.aao.org/practice-management/practice-forms-library/business-operations>

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Expanding Practice resources

Not only Adding a Physician

- Facilities - Office Space
- Staff - Clinical and marketing
- Equipment - advance diagnostic and treatment technologies

- Think outside the box - Collaborating with other healthcare providers or specialists can also help broaden service offerings and referral networks

Forward thinking - Invest ahead when the opportunity comes

Physicians are used to delayed gratification - re-invest in growth

Remember practice growth not linear

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When to Add an Office or Expansion

Rely back on your data Analytics - health market research to determine if there is a need.

Are you at capacity at location or per doctor - Patient satisfaction score can be an indicator

Guide from who your referring doctors are:

- Are they expanding into a new area
- Who they are currently referring to/areas of improvement/assess needs (Competition)
- Where do current patients live or coming from

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Suggestions/Thoughts to consider on how to expand

- Where to setup new office or expand
 - partnering with medical real estate specialists
 - Lease or buy
- Think of expansion capacity
- Ease of Access
- Location within building
- Parking
- Equipment and staff acquisition – group buy, staff multi-task versus focus role
- Which doctors go to expansion or new office – More seasoned doc or new doc
- Marketing – generating new patient volume and improving relationship with referral doctors

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How to keep ahead and improve

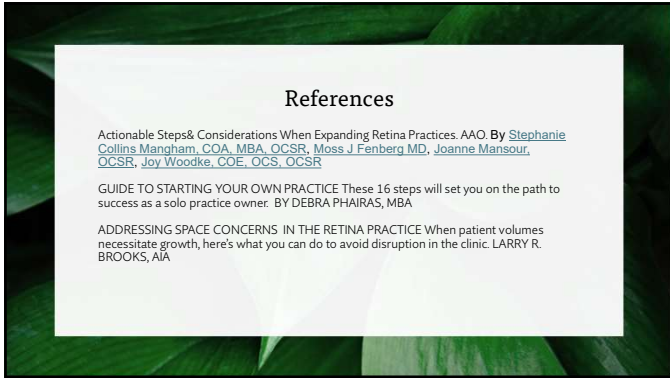
Regularly assessing operational efficiency can identify areas for improvement and resource optimization. Rely and update your pro forma and check in on referring doctors.

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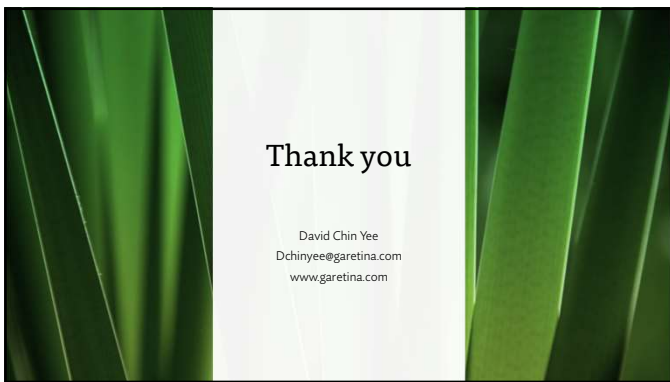
Final tips & takeaways

-  Look at your why or Metrics Market Research for your area
-  Consider your ideal work flow Align with personal and professional goals
-  Plan ahead – limit short sighted views Upgrade practice resources
-  Assess operational efficiency Key performance indicators

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